



U.S. Department of Justice

Southern District of Indiana

United States Attorney

10 West Market Street

(317) 226-6333

*Suite 2100
Indianapolis, Indiana 46204-3048*

TDD (317) 226-5438

FAX NUMBERS:

Criminal (317) 226-6125

Administration (317) 226-5176

Civil (317) 226-5027

FLU (317) 226-6133

OCDETF (317) 226-5953

August 22, 2003

CONTACT PERSONS:

CHRISTINA MCKEE

Temporary Acting United States Attorney
(317) 226-6333

STEVEN DEBROTA

Assistant United States Attorney
(317) 226-6333

CLAUDIA CUMMINGS

Public Affairs Officer
(317) 990-0006 pager

FOR IMMEDIATE RELEASE:

PRESS RELEASE

Christine McKee, Temporary Acting United States Attorney for the Southern District of Indiana, announced that JAMES SPAULDING, CARSON BRYANT, CHARLES BURNEY, CORREY HARRISON, WALTER HOLLOWAY aka WALTER JOHNSON, AARON PRICE, LADONNA JACKSON, and DEBRA TURNER, all of Indianapolis, Indiana, were charged in a Criminal Complaint on August 20, 2003 for allegedly conspiring to commit bank fraud and money laundering in connection with the theft of more than \$220,000 in funds from the Public Employees Retirement Fund of Indiana (PERF). The Complaint also alleges bank fraud in connection with the embezzlement of such PERF funds and money

laundering of these funds through various bank transactions and the purchase of a Ford Expedition. The charges are the results of a joint investigation by the Indiana State Police, Internal Revenue Service, and U.S. Secret Service.

The Criminal Complaint alleges that SPAULDING and his coconspirators, BRYANT, BURNEY, HARRISON, HOLLOWAY, PRICE, JACKSON and TURNER stole \$226,773.63 from PERF. The theft was discovered by the Internet Auditor at PERF working with outside auditors from Crow Chizek, who were hired by an independent counsel for the State of Indiana, as part of a detailed review of benefit checks disbursed during the relevant period.

SPAULDING allegedly worked as a temporary employee at PERF from January 28, 2002 through July 3, 2002 on a special project known as the "Minimum Distribution Project." This Project was designed to locate living and deceased PERF members and beneficiaries who were at least 70 ½ years of age, and who had not yet received distributions. The goal of the project was to distribute retirement funds to members still living or to locate and distribute funds to the beneficiaries or survivor of the deceased members.

As part of his duties at PERF, SPAULDING allegedly had access to the personal identifying information contained in computer records and documents maintained by PERF. He also allegedly had the ability to make changes to these records and cause the issuance of checks drawn on the retirement accounts of PERF members. He also allegedly had the ability to remove this information from PERF in multiple forms, including paper and computer storage media.

As part of the conspiracy, SPAULDING allegedly made false and fraudulent changes to the information contained in the PERF computer system to cause checks to be issued to

BRYANT, BURNEY, HARRISON, HOLLOWAY, PRICE, JACKSON, and TURNER.

SPAULDING knew these persons through various social connections.

According to Assistant United States Attorney Steven D. DeBrot, who is prosecuting the case for the government, the conspiracy charges upon conviction carry a maximum penalty of up to 5 years of imprisonment and a fine of up to \$250,000. The bank fraud offenses carry a maximum penalty of up to 30 years of imprisonment and a fine of up to \$1,000,000. The illegal monetary transactions offenses carry a maximum penalty of up to 10 years of imprisonment and a fine of up to \$250,000.

A preliminary hearing is scheduled for Wednesday, August 27, 2003 at 3:00 PM. SPAULDING will be detained without bond until the hearing. HOLLOWAY and PRICE will be held until the hearing at the Volunteers of America, a community confinement facility in Indianapolis. JACKSON and TURNER will be placed on home detention with electronic monitoring until the hearing. The arrests were made by the Indiana State Police, the U.S. Internal Revenue Service, the U.S. Secret Service, with assistance from the Alcohol, Tobacco and Firearms and the Indianapolis Police Department.

SPAULDING, HOLLOWAY, PRICE, JACKSON, and TURNER were arrested earlier today and an initial hearing was held before U.S. Magistrate Judge Kennard P. Foster in Indianapolis.

CARSON BRYANT, CHARLES BURNEY and CORREY HARRISON are still at large. Persons having information about their whereabouts should call the Indiana State Police, Indianapolis Post at (317) 899-8583.

The Criminal Complaint is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.